UtahAmerican Energy, Inc.

C/007/0(3 Fncomung Lila Canyon Project P. O. Box 910 East Carbon, Utah 84501

Phone: (435) 888-4000

(435) 650-3157 Fax: (435) 888-4002



April 06, 2009

Daron Haddock Permit Supervisor 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, Utah 84114-5801

UtahAmerican Energy, Inc. Horse Canyon Mine 09-004 C/007/013. Response to Re: Deficiencies from Violation #10036

Dear Mr. Haddock,

Attached you will find three (3) copies of revision 09-004 which reflects the changes discussed in our meeting held on March 30, 2009. Also one (1) copy of the confidential portion is included.

Submitted are actually two submittals one with changes to the MRP and one with changes to the "confidential" portion of the MRP.

C1 and C2 are included for both the public portion of the MRP and for the "confidential" portion of the MRP...

Should you have any questions please call.

Sincerely,

R. Jav Marshall

Chief Engineer/Project Manager

RECEIVED

APR 0 6 2009

DIV. OF OIL, GAS & MINING

File in: C10070013, 2009 Gulcoming Refer to: Confidential

□ Expandable

Date 4060 for additional information

APPLICATION FOR PERMIT PROCESSING					
Permit Ch	ange 🗆	New Permit □ Renewal □ Transfer □ Exploration □ Bond Release □	Permit Number: ACT/007/013		
ttle of Proposal: 09-004 Mitigation Plan and Raptor Surveys Mine: Horse Canyon					
			Permittee: UtahAmerican Energy, Inc.		
Description, include reason for application and timing required to implement:					
Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation					
□ Yes	□ No	1. Change in the size of the Permit Area? acres Disturbed Area? acres □ increase □ decrease.			
□ Yes	□ No	2. Is the application submitted as a result of a Division Order? DO #			
□ Yes	□ No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?			
□ Yes	□ No	4. Does application include operations in hydrologic basins other than as currently approved?			
□ Yes	□ No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?			
□ Yes	□ No	6. Does the application require or include public notice/publication?			
□ Yes	□ No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?			
□ Yes	□ No	8. Is proposed activity within 100 feet of a public road or cemetery or 300	feet of an occupied dwelling?		
□ Yes	□ No	9. Is the application submitted as a result of a Violation? NOV #			
□ Yes	□ No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:			
□ Yes	□ No	11. Does the application affect the surface landowner or change the post mining land use?			
Yes	□ No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)			
□ Yes	□ No	13. Does the application require or include collection and reporting of any baseline information?			
□ Yes	□ No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?			
□ Yes	□ No	15. Does application require or include soil removal, storage or placement?			
□ Yes	□ No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?			
□ Yes	□ No	17. Does the application require or include construction, modification, or removal of surface facilities?			
□ Yes	□ No	18. Does the application require or include water monitoring, sediment or drainage control measures?			
□ Yes	□ No	19. Does the application require or include certified designs, maps, or calculations?			
□ Yes	□ No	20. Does the application require or include subsidence control or monitoring?			
□ Yes	□ No	21. Have reclamation costs for bonding been provided for?			
□ Yes	□ No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?			
□ Yes	□ No	23. Does the application affect permits issued by other agencies or permit	s issued to other entities?		
X Attach 3 complete copies of the application.					
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. Received by Oil, Gas & Mining Received by Oil, Gas & Mining					
bscribed and swom to before me this to day of Agri 19 2009					
My Commission Attest:	My Commission Expires: Notary Public May 16, 49 20/2) My Commission Expires: Notary Public State of Utah ASSIGNED TRACKING NUMBER ASSIGNED TRACKING NUMBER				
Comm. No. 574260					

Application for Permit Processing Detailed Schedule of Changes to the MRP

09-004 Mitigation Plan and Raptor Surveys

Permit Number: ACT/007/013

Mine: Horse Canyon Lila Canyon

Permittee: UtahAmerican Energy, Inc.

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. Include page, section and drawing numbers as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED	
□ ADD	□ REPLACE	□ REMOVE	Derris Jones and Matthew S. Serfustini Mel Coonrod resumes to Appendix 1-5	
□ ADD	□ REPLACE	□ REMOVE	Pages 20 to 25 Chapter 3 text	
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Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

UtahAmerican Energy, Inc. Additional Monitoring Plan Specific to Portals #1, and #2

February 2009

As a result of meetings held between USFW, DWR, BLM, DOGM and UEI on January 12, February 6, and February 23, the following monitoring plan has been developed. By following this plan, when practicable, UEI will be allowed to continue construction activities through the Raptor closure period (February 1st to July 15th).

USFW Recommendations:

The Service, in consultation with UDWR, would be willing to allow limited surface blasting at the mine with the following stipulations:

- 1) That the mine follow its own recommendation and only use 35 lbs of explosives for surface blasting. What constitutes surface blasting is not completely clear, but surface blasting is likely to involve more than one round of blasting to get underground. Unless UDOGM has a different definition of "underground" we will assume that surface blasting occurs until the portal is more than 25 feet underground, at which time larger charges (eq., 45 lbs) could be used.
- 2) That portal canopies be used for surface blasts to contain rock and to focus noise away from the nests. Blast blankets might be advisable.
- 3) That dosimeter readings be collecting during surface blasts (at a safe distance) to compare sub-surface and surface blasts. If possible, data from one or more distances be collected, such as 100 feet (to compare with the earlier blast measurement), 200 feet (to compare with earlier ambient measurement) and/or greater distances to determine attenuation.
- 4) That a qualified biologist observe eagle behavior prior to and during the blast. The purpose of this monitoring is to determine if the eagles respond negatively to the blasts (e.g., flight response). If negative responses are observed, the Service and UDWR should be contacted for additional guidance.
- 5) That surface blasts only occur if eagles are not present at the nest (or nests). If an eagle is incubating eggs and would respond negatively to the blast (e.g., quickly fly away) there is a chance that the eggs could be harmed. To avoid this possibility, blasting should only when the birds are not at the nest. A qualified biologists should monitor the eagles and nests prior to and during blasts.

Joe,

As per our conference call yesterday, I feel reasonable comfortable with allowing the mine to increase the blast poundages. This is based on several factors:

1) to date, most blast decibel readings not exceeded ambient conditions and no blasts have exceeded the loudest equipment on site,

- 2) the lower poundages (e.g., 35 lbs) require 3 separate blasts rather than one larger blast, potentially resulting in more disturbance from three blasts,
- 3) blasts with larger poundages are drilled deeper into the rock, likely reducing noise levels
- 4) the loudest blast decibels were recorded with only 16 lbs of explosives,
- 5) eagles have not been seen at the nest or in the area, and
- 6) each portal is now at least 10 feet underground with at least another 15 feet of canopy; this should direct the sound away from the nests.

Rather than specify an upper poundage to use during the blasts, which may necessitate the mine returning to FWS for additional modification to the poundages, the mine may use whatever poundage is necessary (following other policies and regulations) provided that the blasts do not exceed ambient conditions (e.g., 75 decibels). Dosimeter readings can be reduced or eliminated once the mine can be assured that the combination of poundages and distance underground will not result in increased decibel readings above ambient conditions. Biologists should continue regularly scheduled monitoring, but need not be present for every blast provided blasts do not exceed ambient conditions.

Nathan

The initial company commitment to use only 35 lbs of explosives for the initial surface blasts became unrealistic once it was discovered that DOGM was going to use the definition of initial surface blasts as being underground 25 feet not including the canopies and that 35 lbs of explosives would not allow a full face shot. Without a full face shot the remaining wings on the left and right side had to be removed in separate shots. In essence it was taking three shots and a total of approximately 75 lbs of powder to advance five feet. Biologists observing the progress suggested that one larger shot might be less disruptive to the eagles than would be three smaller shots. One larger shot would definitely be more productive and safer than three smaller shots. As a result of this an additional meeting was requested with DOGM and USFW. And as a result of the meeting on February 23rd the following plan was developed.

Raptor monitoring will be done according to the 2009 Lila Canyon Eagle Monitoring Plan submitted by ("Environmental Industrial Services"). Additional monitoring specific to Portals #1 and #2, above and beyond the 2009 Eagle Monitoring Plan will be completed as described below.

A Biologist approved by DOGM and USFW (attached resumes) will monitor Portals #1 and #2 during the initial slope development. The monitoring will take place as follows:

A dosimeter will be used to monitor sound levels of the explosive work being done in portals #1 and #2. Portal #0 is not subject to the plan since it was started prior to February 1st. One dosimeter will be stationed with the UEI person setting off the shot and the other dosimeter will be stationed with the biologist

observing the nests. The amount of explosives will be recorded for each shot being monitored.

If an underground shot results in a sound reading above 75 decibels, then the next shots poundage, in that entry, will be reduced until the decibel reading is below ambient. As the entries develop further underground the shot poundage will be increased and adjusted in an attempt to keep the decibel reading recorded by the biologist at or near ambient.

Dosimeter readings will be reduced or eliminated once it can be shown that the combination of explosive poundage and distance underground will not result in increased decibel readings above ambient conditions (75 decibels).

Blast Blankets are not applicable under these conditions. The portal canopy will direct and contain flyrock as well as funnel the sound away from any cliff nests. Blast Blankets would be redundant and less effective than will be the portal canopies.

If an eagle is observed by the biologist on the nest, the face will not be loaded and DOGM will be consulted.

Biologists will continue the regularly scheduled monitoring as per the 2009 Lila Canyon Eagle Monitoring Plan, but will not be present for every blast provided the blasts do not exceed ambient conditions.

Any bighorn sheep activity or raven activity will be noted by the biologist during both the 2009 monitoring plan and the additional dosimeter monitoring plan.

This plan may be discontinued on March 15th if it is determined that eagles have not nested this year within ½ mile buffer of the Lila Canyon Portals.

Marshall, Jay

From:

Nathan_Darnall@fws.gov

ent:

Tuesday, February 24, 2009 1:32 PM

b:

Nathan_Darnall@fws.gov

Cc:

Betsy_Herrmann@fws.gov; jimdsmith@utah.gov; jimparrish@utah.gov;

JoeHelfrich@utah.gov; leroymead@utah.gov

Subject:

Re: Surface blasting at Lila

Attachments:

Decibel v Distance.pdf



Decibel v istance.pdf (13 KB).

As per our conference call yesterday, I feel reasonable comfortable with allowing the mine to increase the blast poundages. This is based on several factors:

1) to date, most blast decibel readings not exceeded ambient conditions and no blasts have exceeded the loudest equipment on site,

2) the lower poundages (e.g., 35 lbs) require 3 separate blasts rather than one larger blast, potentially resulting in more disturbance from three blasts,

3) blasts with larger poundages are drilled deeper into the rock, likely reducing noise levels

4) the loudest blast decibels were recorded with only 16 lbs of explosives,

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Nathan

Nathan Darnall/R6/FWS/DO I

02/10/2009 05:10 PM jimdsmith@utah.gov

To

jimparrish@utah.gov,
JoeHelfrich@utah.gov,
leroymead@utah.gov, Betsy
Herrmann/R6/FWS/DOI@FWS

Subject

Surface blasting at Lila

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further reduce impacts.

During our January 12, 2009 meeting to discuss exclusionary periods for the Lila Canyon Mine, we agreed that surface blasting would occur prior to February 1st, the start date for the golden eagle exclusionary period.

Rather than shutting down the mine for an extended period, the concession to allow subsurface blasting during the exclusionary period was agreed to based on the understanding that the noise and disturbance (e.g., dust) from the sub-surface blasting would not exceed the existing ambient conditions at the mine (e.g., muffled by the mine shaft). The mine conducted surface blasting at one of the portals prior to Feb 1, but not at two additional portals. On February 6, 2009 representatives from the mine with the Service to discuss the possibility of allowing surface blasting at the two remaining portals after the Feb 1 date. Given the small charges used in the blasting (e.g., 40 lbs), the distance from the nest (>1600 feet), the use of portal canopies to control dust and falling rock, there is a reduced chance of disturbing the birds. While these factors alleviate some concerns, the Service requested that the mine provide actual noise data from mining operations which was agreed to by Jay Marshall. On Feb 10th, Jay provided results from dosimeter readings from a variety of distances and equipment and from sub-surface blasts. The tabular data have been converted to a graphical format (see attached). It appears that the noise from the sub-surface blast is on par with the loudest equipment at the mine site and that the noise levels attenuate with increasing distance away from the mine.

The purpose for requesting that the surface blasting occur prior to Feb 1 was to reduce the chance (due to a possible increase in the level of disturbance) that incubating eagles would abandon their eggs, resulting in a take and violation of the Migratory Bird Treaty Act. We assumed that surface blasting would result in greater levels of noise, dust and surface Based on the discussion movement (e.g., rocks) than underground blasting. riday, it seemed reasonable that if the mine could show that the noise and disturbance levels associated with the surface blasting would not exceed existing ambient conditions, then the surface blasting might occur. The dosimeter readings suggest that the blasting will not result in a significant increase in existing noise levels. However, the readings were taken from an underground blast and not a surface blast which may be louder. However, the nests are more than 1600 feet from the portals and not within the direct line of the blast sound waves, two factors which may reduce the level of noise and potential impact to birds on the cliff face. The mine is also willing to reduce the amount of explosives used to 35 lbs which may

The Service, in consultation with UDWR, would be willing to allow limited surface blasting at the mine with the following stipulations:

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nests prior to and during blasts.

We appreciate your attention in this matter.

Thank you.

Nathan

Nathan L. Darnall U.S. Fish and Wildlife Service Utah Field Office 2369 West Orton Circle, Suite 50 West Valley City, UT 84119

801-975-3330 x137 801-975-3331 (fax) nathan_darnall@fws.gov

http://mountain-prairie.fws.gov/

Achieving sustainable native species and ecosystems through leadership, partnerships, and innovation

(See attached file: Decibel v Distance.pdf)